

**CITY MANAGER'S REPORT
FEBRUARY 12, 2024 REGULAR CITY COUNCIL MEETING**

ITEM: PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIP ACT (HOME) PROGRAM ALLOCATIONS FOR FISCAL YEAR 2024/2025

RECOMMENDATION: Council to Consider the Following:

- 1. Hold a Public Hearing; and**
- 2. Adopt Resolution Recommending the Allocation of the CDBG and HOME Funds for FY 2024/2025 for consideration by San Joaquin County and the US Department of Housing and Urban Development (HUD) pursuant to Budget Amendments**

SUMMARY:

Each year the City of Lathrop (City) receives an allocation of Community Development Block Grant (CDBG) and HOME Investment Partnership Act (HOME) funds. Both programs are funded by the U.S. Department of Housing and Urban Development (HUD), and administered by San Joaquin County (COUNTY), under an Urban Cooperative Agreement between San Joaquin County and the cities of Escalon, Lathrop, Manteca, Ripon, and Tracy.

The County guidelines are in place to help meet the needs of the community and the requirements set forth by HUD. Important highlights of these guidelines are as follows:

- Multi-entitlement agencies must apply directly to San Joaquin County for both County and City funding.
- The minimum award for public service grant requests should be at least \$5,000.00, unless prior approval received from San Joaquin County.
- Cities will be recommending the local allocation of funds for final approval by the San Joaquin County Board of Supervisors and HUD.

For fiscal year 2024/2025, the City of Lathrop anticipates an allocation of \$94,170 in CDBG funds and \$33,893 in HOME funds. Final allocation numbers are determined upon Federal Budget approvals, which will be proportionally increased or decreased from the estimated funding levels to match the actual allocation amounts.

No more than fifteen percent (15%) of the allocated CDBG funds may be designated toward Public Service organizations with the remaining eighty-five percent (85%) designated toward Public/Capital Facility projects. HOME funds may be allocated to eligible program(s) administered by the County.

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City Council must conduct a public hearing to consider funding requests from eligible applicants, prior to finalizing recommendations of local CDBG and HOME funding allocations. Staff published a legal advertisement on December 15, 2023 to promote the availability of CDBG and HOME funds and to solicit eligible applicants. A second legal advertisement was published on January 31, 2024 to announce the public hearing date to consider CDBG and HOME funding allocations for FY 2024/2025.

Multi-entitlement agencies serve residents of multiple cities throughout the County, therefore these agencies are required to submit one application to San Joaquin County for individual local agency funding requests.

There were four (4) multi-entitlement agency applications submitted for CDBG Public Service’s funding, five (5) applications submitted directly to the City for consideration of a local Public Service grant, one (1) application received for a Public Facilities grants, and zero (0) applications received for HOME funds.

The three-step process for allocating funds to identified local activities is referenced below:

- STEP 1. Allocate funding for the CDBG Public Service Organizations.
- STEP 2. Allocate funding for the CDBG Public/Capital Facility Projects.
- STEP 3. Allocate HOME funds to an eligible program administered by the County.

Staff recommends that the City Council consider the information provided at the public hearing, staff’s presentation, and Lathrop’s Scoring Committee’s proposed funding allocations for CDBG’s public service grants, public facility grants, and the HOME funds for fiscal year 2024/2025. City Council maintains sole discretion to accept staff’s recommendation or propose recommended funding allocations toward eligible applicant projects or services they deem in the best interest to meet community and resident needs.

BACKGROUND:

The City of Lathrop, in accordance with the Urban Cooperative Agreement with San Joaquin County, will make recommendations to allocate the anticipated amount of CDBG funds to Public Service organization(s), Public/Capital Facility project(s), and HOME funds as follows:

<u>CDBG</u>	
Public Service Awards (15%):	\$14,170
Public/Capital Facility Projects (85%):	\$80,300
Total anticipated CDBG Allocation:	<u>\$94,470</u>
<u>HOME Funds</u>	
Total anticipated HOME Funds	<u>\$33,893</u>

STEP 1: Allocate funds to Public Service Organizations

Multi-Entitlement Agencies via County Application:

Multi-entitlement agency applicants include San Joaquin County Department of Aging, Emergency Food Bank of Stockton/San Joaquin, San Joaquin Fair Housing, and Give Every Child a Chance (GECAC). Each of these organizations provide services within multiple cities throughout San Joaquin County, and have applied directly to the County through the one application process to request funding from the County and Cities for which they provide services.

The following summary describes the services provided to Lathrop residents by each of the multi-entitlement agency applicants and the amount requested by each organization:

San Joaquin Fair Housing **\$1,250**

The San Joaquin Fair Housing Board is designed to further fair housing in San Joaquin County. They achieve this by educating tenants and owners on all the Federal and State Fair housing laws accomplished through direct outreach, education, mediation and virtual workshops. It is important to note that this is a HUD mandated program, which requires each jurisdiction to provide their proportionate share of the anticipated expenditures by San Joaquin Fair Housing for the fiscal year. In other words, the \$1,250 is a requirement. The program expects to benefit approximately 3,446 Lathrop residents.

Give Every Child a Chance – Before/After School Programs **\$6,000**

Give Every Child a Chance (GECAC) provides free to minimal cost programs to youth in San Joaquin County. Free mentor/tutoring to students in K-12th grade is provided through programs called TEACH, ASAP, and BHS. In addition, bi-monthly food, activity kit distributions, and a Summer Supplemental Program (Day Camp) are provided. The programs expect to benefit approximately 445 youth in Lathrop.

Emergency Food Bank – Mobile Farmer's Market **\$6,250**

The Emergency Food Bank of Stockton/San Joaquin is requesting funding for its "Mobile Farmers Market" program, which visits 70 sites throughout the cities and county. Each site is visited monthly, with a goal of providing nutrition education and increased access to fresh produce, to promote healthy lifestyles and decrease the prevalence of disease/chronic health conditions and food insecurities to the most vulnerable populations.

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There are three Mobile Farmer's Market sites serving Lathrop for one day each month: Joseph Widmer Elementary, Lathrop Elementary, and Grace Community Church. The program expects to serve 989 residents of Lathrop.

SJC Department of Aging – Meals on Wheels **\$1,502**

The San Joaquin County Human Services Agency's Department of Aging & Community Services is requesting funding for its Home Delivered Meals Program "Meals on Wheels", which delivers five nutritious meals once a week to homebound seniors who lack transportation and have little or no social support. The program objective is to promote better health through improved nutrition. The program expects to benefit nine (9) senior residents of Lathrop.

Lathrop Direct Applications:

Organizations whose programs serve specific jurisdictions are encouraged to apply directly to the Cities for CDBG grant funding. For FY 2024-25, the City of Lathrop received five (5) applications for a total funding request of \$78,388.

The following summary describes the services provided by the applicant(s) to Lathrop residents and the amount of funding requested:

City of Lathrop (PRD – Activity Fee Assistance) **\$5,000**

The City of Lathrop's Parks & Recreation Department (PRD) offers an Activity Assistance Program designed to provide financial assistance to eligible low-income families and individuals who wish to participate in recreation services and activities. PRD services and activities may include before and after school programs, day camps, sports programs, classes, and events for seniors. Eligible individuals may use up to \$250 annually, as funds are available. Seventy-five percent (75%) of the program fees may be covered through the Activity Fee Assistance Program with the individual or family paying the remaining percentage. The program expects to benefit 52 Lathrop residents.

City of Lathrop (PRD – Senior Special Event Funding) **\$20,250**

The City of Lathrop has an extremely active Senior Center with multiple programs running daily, including nine year special events. Over the last few years' attendance at these special events has tripled in participation. These special events offer seniors an opportunity to socialize through themed activities, entertainment and lunch. The City is committed to keeping the cost low at \$5 per registration entry fee to ensure affordability for all. Low-income seniors can apply for the Recreation Fee Assistance, which brings the cost to \$1.25. The average cost of food per participant ranges between \$12 - \$17, and the CDBG funding would help to off-set the cost. Program anticipates serving 150+ seniors at each of these special events.

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SJ-SBDC (Digital Marketing Workshop Series) \$5,000

The San Joaquin Small Business Development Center (SJ-SBDC) is devoted to accelerating small business success and driving economic growth in San Joaquin, Amador, Calaveras, and Alpine counties. The center hosts a team of business advisors from diverse backgrounds to help small businesses start, grow, and thrive with business resiliency as the primary focus of discussion between the business advisors and small business owners and entrepreneurs. To assist small business owners and entrepreneurs in the City of Lathrop create, grow, and develop their businesses, the SJ-SBDC is developing a Digital Marketing Workshop Series to expand clientele and increase business activities. The modules will include areas of focus around online marketing, website elements, search engine optimization, and Google services. The workshops and other SJ-SBDC services will be offered to Lathrop small businesses and entrepreneurs at no charge. Program anticipates serving 25 small businesses in the City of Lathrop.

Ready to Work (Empower to Work: Lathrop) \$40,138.22

Ready to Work focuses on workforce development through training and development, upskilling, job placement, and meeting client needs through supportive services. Ready to Work was awarded a grant by the California Workforce Development Board's Helping Justice-Involved Reenter Employment (HIRE) initiative to meet the needs of the justice-impacted individuals. However, it has been determined that there is also a need to help client families advance economically. Empower to Work: Lathrop, will be designed to supplement the services and training that will be provided to the member of the household that is justice-involved. CDBG funding will be used to mirror the program for other members of the household that are not justice-impacted, offering them work experience under our new projects—Empowerment Garden, Enliven Espresso, and Educate & Equip. Program anticipates serving 25 Lathrop residents.

PREVAIL CA (PROPEL) \$8,000

PREVAIL CA, formerly Women's Center – Youth & Family Services, is seeking funding to support the expansion of its street outreach efforts within the City of Lathrop through PROPEL (Providing Resources and Opportunities for Peers Experiencing Life) program. The program offers comprehensive youth services designed to prevent and end youth homelessness. It will expand peer-to-peer outreach and resources for youth experiencing life challenges, such as homelessness. PREVAIL efforts anticipate reaching 25 of Lathrop's young adults, not older than 25 years of age, who are experiencing homelessness or at risk of experiencing homelessness.

The Lathrop Ranking and Scoring Committee reviewed the applications and recommends allotment to each qualified public service organization as follows:

PUBLIC SERVICE ORGANIZATIONS ALLOTMENT SUMMARY

Organization	Requested Amounts for FY 24/25	Recommended Allotment for FY 24/25
Give Every Child a Chance (GECAC)	\$6,000	\$5,420
San Joaquin Fair Housing	\$1,250	\$1,250
Emergency Food Bank (Mobile Farmers Market)	\$6,250	\$1,250
SJC Dept of Aging (Meals on Wheels)	\$1,502	\$1,250
Lathrop PRD (Senior Special Event Funding)	\$20,250	\$5,000
TOTAL FUNDS	\$35,252	\$14,170.00

STEP 2: Allocate Funds for Public/Capital Facility Project(s)

The City of Lathrop anticipates \$80,300 of CDBG funds to be available for eligible public/capital facility projects.

One application was received by the City’s Public Works Department for a project focused on Removal of Architectural Barriers at East Lathrop Public Parks for ADA compliance:

City of Lathrop – (PW - Park Architectural Barrier Removal) \$335,000

The City of Lathrop’s Public Works Department is requesting CDBG grant funding to assist with the removal of architectural barriers at East Lathrop Public Parks to meet ADA compliance and allow access to everyone. The project sites include Apolinar Sangalang Park, Woodfield Park, Valverde Park, Thomson Park, Armstrong Park, and Libby Park. Improvements areas would include: pathways and surfaces, entrances and exits, restrooms, parking, seating areas, playgrounds, communication, lighting, recreational facilities, information, and emergency evacuation.

STEP 3: Allocate Home Funds

The estimated HOME fund allocation for FY 2024-25 is \$33,893. The City of Lathrop participates in two eligible HOME loan programs—the Homebuyer Down-Payment Assistance (GAP) and the Lathrop Housing Rehabilitation Program. Both programs provide low-interest loans for qualified low-income households. The City advertises these programs through the City website, Channel 97, Newsletters, and through flyers distributed at City Hall, Community Center, Senior Center and the library.

San Joaquin County administers the HOME fund applications, contracts, and program disbursements. According to County records, the current balance for the Lathrop Housing Rehabilitation program is \$147,655. The GAP program has a balance of \$10,000.

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As of January 29, 2024, the County reported that the Lathrop Housing Rehabilitation program has assisted the following number of households: two (2) completed rehabilitation loans, nine (9) with full rehabilitation loans, seven (7) with roof/HVAC grants, two (2) are prequalified pending inspections, and one (1) is in progress.

The Homebuyer Down Payment Assistance Program (GAP) has not been utilized for the past ten (10) years. Due to the rising cost of housing and interest rates, residents who qualify under HUDs low income guidelines find it difficult to qualify for home purchases.

Staff recommends that \$10,000 of the HOME Funds be allocated toward the GAP program with the remaining balance of \$23,893 allocated toward the Lathrop Housing Rehabilitation Loan Program.

RECOMMENDATION:

Staff recommends that the City Council consider the information given at the public hearing and during the staff presentation to make a funding recommendation to allocate the 2024/2025 fiscal year CDBG and HOME program funds pursuant to budget amendments as follows:

- Step 1: Allocate CDBG funds to Public Service Organizations (\$14,170) as indicated on the Lathrop Scoring and Ranking Committee Recommendations (Attachment B).
- Step 2: Allocate CDBG Public/Capital Facility funds (\$80,300) to the City of Lathrop's East Lathrop Public Park Architectural Barrier Removal Project.
- Step 3: Allocate HOME funds (\$33,893) to the GAP program and Housing Rehabilitation Programs administered by the County as indicated on the Lathrop Scoring & Ranking Committee Recommendations (Attachment B).

FISCAL IMPACT:

Staff time to review the applications, prepare this report, presentation, audit, and manage this program.

The County's disbursement process requires the City to set up a separate account(s) to accommodate the CDBG reimbursement program. Because the proposed applicant(s) have been awarded CDBG grants in the past, all necessary accounts are in place and funded according to this requirement. The only exception will be an increase in the revenue account to accommodate the Public Facilities award for East Lathrop Public Park Architectural Barrier Removal Project through a budget adjustment for CIP GG 25-02.

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Staff is requesting the following budget amendments to accommodate the CDBG FY 2024/2025 allocations for Public Service and Public Facility Grants:

Increase Revenues

2650-1130-333-01-00	Intergov. Federal - CDBG CC	\$85,300
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Increase Transfer Out

2650-9900-990-90-10	CDBG Fund Transfer Out – Public Agency	\$85,300
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Increase Transfers In

1010-9900-393-00-00	CDBG Transfer In – Public Agency	\$5,000
3010-9900-393-00-00	Increase Transfer CIP GG 25-02	\$80,300

Increase Expenses

3010-8000-420-12-00	Increase Expense CIP GG 25-02	\$80,300
1010-3021-430-20-00	Increase Expense	\$5,000

GOALS ADVANCED BY THIS AGENDA:

The proposed Resolution promotes Public Safety by providing funding for those in need of assistance and support.

ATTACHMENTS:

- A) Resolution Recommending the Allocation of the Community Development Block Grant and Home Investment Program Funds for FY 2024/2025.
- B) FY 2024/2025 – CDBG/HOME Grant Applications, Scoring and Ranking Committee Recommendations


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APPROVALS:



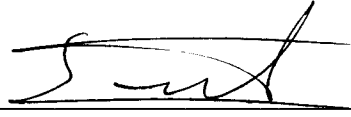
Shelley Burchard
Economic Development Administrator

2-5-2024
Date



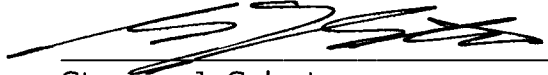
Cari James
Director of Finance

2/5/2024
Date



Salvador Navarrete
City Attorney

2.5-2024
Date



Stephen J. Salvatore
City Manager

2/6/24
Date

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP RECOMMENDING THE ALLOCATION OF THE COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT PROGRAM FUNDS FOR FISCAL YEAR 2024/2025 PURSUANT TO BUDGET AMENDMENTS

WHEREAS, the City anticipates it will receive an estimated allocation of \$94,470 for Community Development Block Grant (CDBG) and \$33,893 for the HOME Investment Program (HOME) for Fiscal Year (FY) 2024-2025; and

WHEREAS, the City of Lathrop has properly published a 30-day public notice of availability of funds for the programs in accordance with HUD regulations; and

WHEREAS, the City Council has determined in accordance with the California Environmental Quality Act, Article 18, Section 15273, that this item is statutorily exempt because CEQA does not apply to the establishment or modification of HUD funding programs to public agencies which are to meet community needs; and

WHEREAS, the City Council conducted a duly noticed public hearing on February 12, 2024 to consider applications for CDBG and HOME Funds for FY 2024-2025, has considered the information given at the public hearing and during the staff presentation, and determines that the recommended allocations represent the community needs in Lathrop; and

WHEREAS, the recipients of CDBG funding are required to enter into an agreement with the City to ensure that funds are spent in accordance with HUD regulations.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lathrop, does hereby recommend the following public service agencies and allocated amounts for funding in the Fiscal Year 2024/2025 for the CDBG program:

<u>Public Service Organizations</u>	<u>Allocations</u>
Give Every Child a Chance (GECAC)	\$ 5,420
San Joaquin Fair Housing	\$ 1,250
Stockton/San Joaquin Emergency Food Bank (Mobile Farmers Market)	\$ 1,250
SJC Dept. of Aging (Meals on Wheel)	\$ 1,250
Lathrop PRD (Senior Special Events)	\$ 5,000
Total Allocation (15% of \$94,470)	<u>\$14,170.00</u>

BE IT FURTHER RESOLVED that the City does hereby recommend allocating \$80,300 of the Public/Capital Facility funds to the City of Lathrop’s Public Works for the East Lathrop Public Parks Removal of Architectural Barriers project CIP GG 25-02; and

BE IT FURTHER RESOLVED that the City does hereby recommend allocating \$23,893 of the HOME Program funds to the Lathrop Property Rehabilitation

Loan Program and \$10,000.00 to the GAP Loan Program for down payment assistance.

BE IT FURTHER RESOLVED that the City Council authorizes CDBG and HOME fund allocations pursuant to the following budget amendments for FY 2023/2024.

Increase Revenues

2650-1130-333-01-00	Intergov. Federal - CDBG CC	\$85,300
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Increase Transfer Out

2650-9900-990-90-10	CDBG Fund Transfer Out – Public Agency	\$85,300
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Increase Transfers In

1010-9900-393-00-00	CDBG Transfer In – Public Agency	\$5,000
3010-9900-393-00-00	Increase Transfer CIP GG 25-02	\$80,300

Increase Expenses

3010-8000-420-12-00	Increase Expense CIP GG 25-02	\$80,300
1010-3021-430-20-00	Increase Expense	\$5,000

PASSED AND ADOPTED this 12th day of February 2024, by the following vote:

AYES:

NOES:

ABSENT:

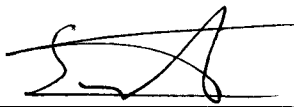
ABSTAIN:

SONNY DHALIWAL, MAYOR

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney



**FY 2024/2025 - CDBG/HOME GRANT APPLICATIONS
SCORING AND RANKING COMMITTEE RECOMMENDATIONS**

A. PUBLIC FACILITY APPLICATIONS			FUNDING	
			AVAILABLE FUNDING	\$80,300
APPLICANT	PROGRAM	REQUEST	RECOMMENDATION	
1. City of Lathrop (PW)	Removal of Architectural Barriers at East Lathrop Parks	\$335,000	\$80,300	
B. PUBLIC SERVICE APPLICATIONS			FUNDING	
			AVAILABLE FUNDING	\$14,170
APPLICANT	PROGRAM	REQUEST	RECOMMENDATION	
1. City of Lathrop (PRD)	Senior Special Events	\$20,250	\$5,000	
<i>Multi-City Agencies</i>				
2. GECAC	After School Program	\$6,000	\$5,420	
3. San Joaquin Fair Housing ¹	HUD Mandated Services	\$1,250	\$1,250	
4. Emergency Food Bank of Stockton/San Joaquin	Mobile Farmers Market	\$ 6,250	\$1,250	
5. SJC Dept. of Aging	Meals on Wheels	\$1,502	\$1,250	
<i>TOTAL FUNDING REQUEST</i>		\$35,252	14,170	
C. HOME FUNDS			FUNDING	
			AVAILABLE FUNDING	\$33,893.00
		PROGRAM	BALANCE	RECOMMENDATION
		GAP PROGRAM – DOWNPAYMENT ASSISTANCE	\$10,000	\$10,000
		HOUSING REHABILITATION LOAN PROGRAM	\$147,655	\$23,893

NOTES:

- A) Public Facility Grant funding is the total CDBG allocation less 15% for Public Services. CDBG Allocation for FY 2024/2025 have been based on FY 2023/2024 final allocation numbers of \$94,470.
- B) Awards for Public Service Applications submitted directly to the City must be a minimum of \$5,000, unless prior approval is received by San Joaquin County. Multi-County agencies who have applied through the County may be awarded less than the \$5,000 minimum and recommendations are up to the discretion of the City Council.
- C) HOME funds have been awarded toward the Housing Rehabilitation Program since 2018. There is a total of \$147,655 remaining in Lathrop's program. Awards are issued on a first-come, first-serve basis for all applications received throughout San Joaquin County.

GAP Program – Downpayment Assistance is rarely used in the County due to the high price of homes and households not able to meet the income qualification to purchase a home.

¹ HUD mandated program, which requires each jurisdiction to provide their proportionate share of the anticipated expenditures by San Joaquin Fair Housing for the fiscal year.

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